

The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BUREAU OF LOAN AGENCIES

FOR THE

Year Ended December 31, 1957

Mass. DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF BANKS AND LOAN AGENCIES

EDWARD A. COUNIHAN, III

COMMISSIONER OF BANKS



The Commonwealth of Massachusetts

OCT 23 1958

STATE HOUSE, BOSTON
BUREAU OF LOAN AGENCIES

ROOM 109C, STATE HOUSE, BOSTON

MASS OFFICIALS
ANNUAL REPORT FOR YEAR ENDED DECEMBER 31, 1957(Pursuant to provisions of Section 98 of General Laws (Ter. Ed.)
Chapter 140)*To the Honorable Senate and House of Representatives
of the Commonwealth of Massachusetts:*

As of December 31, 1957 there were three hundred and two small loan licenses outstanding.

In the year just ended 181,131 loans amounting to \$35,407,080.82 were made. These figures represent a decrease of 15,696 in the number of loans made and \$3,015,488.46 in the amount of loans made during the previous twelve month period. With respect to the loans made of \$100 or less which are included in the foregoing figures, the decrease was 6,264 in number and \$479,488.35 as to amount. On December 31, 1957 there were 136,520 loans outstanding with a book value of \$20,545,631.47.

Gross income for the period totaled \$4,689,023.38 of which \$68,139.52 represented recoveries on loans previously charged off. Operating expenses aggregating \$3,861,261.67 include \$565,425.46 of home office expenses; charge-offs on bad debts amounting to \$185,066.39 and additions of \$328,191.54 to valuation reserves combine to make an expense total of \$4,374,519.60 which, deducted from gross income, leaves a balance of \$314,503.78 representing net earnings before deductions of interest paid on borrowed funds.

The above statements are based on figures compiled from annual reports to the Supervisor of Loan Agencies as represented by all licensed lenders and are tested by accountants of this Bureau by examination of the original records and by statistical comparisons.

All common assets, liability and expense accounts are allocated on a formula established by this Bureau.

Respectfully submitted,

MARTIN J. HANLEY

*Supervisor of Loan Agencies
and Deputy Commissioner*

Approved:

EDWARD A. COUNIHAN, III

Commissioner of Banks

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Exhibit A

COMPOSITE STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 1957
Small Loan Business of \$300.00 and Less

ASSETS AND LIABILITIES		Licensed Agencies
292 Annual Reports		302
<i>Assets</i>		
Cash in Office and in Banks		\$1,175,929.49
Loans Receivable of \$300 or Less		20,545,631.47
Real Estate (Less-Accumulated Depreciation-Buildings)		34,811.73
Furniture, Fixtures, Equipment and Automobiles (Less-Accumulated Depreciation)		376,575.06
Deferred Charges and Prepaid Expenses		60,303.03
Organization and Development Expense		121,910.71
Cost of Financing		12,105.77
Prepaid Expense on Accounts Purchased		22,780.83
Other Assets:		
(a) Miscellaneous Accounts Receivable		179,442.74
(b) Accrued Interest Receivable		52,330.06
(c) Investments		209,098.66
(d) Miscellaneous		116,824.33
Total Assets		<u>\$22,907,743.88</u>
<i>Liabilities and Capital</i>		
Accounts and Notes Payable:		
(a) Banks		\$1,055,952.92
(b) Due to Parent Company or Affiliates		7,927,657.21
(c) Other Notes and Accounts		856,993.08
Bonds		518,171.26
Treasury Certificates		516,104.94
Other Liabilities:		
(a) Accrued Expenses		50,372.69
(b) Unearned Charges
(c) Other		30,986.43
Valuation Reserves:		
(a) Bad Debts		482,035.94
(b) Purchased Accounts (Face Value Less Purchase Price)		234.45
(c) Other		7,054.87
Expense Reserves:		
(a) Taxes		153,982.29
(b) Other		4,962.13
Branch Office Capital (Home Office Control)		9,083,779.69
Net Worth (if Individual or Partnership)		49,547.41
Capital Stock (if Corporation):		
(a) Preferred		431,364.48
(b) Common		1,441,884.24
Appropriated Surplus or Capital Reserves		52,771.83
Additional Paid-in Capital		583,716.00
Retained Earnings		(339,827.98)
Total Liabilities and Capital		<u>\$22,907,743.88</u>

Exhibit B

COMPOSITE STATEMENT OF PROFIT AND LOSS FOR THE YEAR
ENDED DECEMBER 31, 1957
Small Loan Business of \$300 or Less

292 Annual Reports

<i>Gross Income Derived From Small Loan Business</i>	
Charges on Loans of \$300 or Less	\$4,612,074.39
Collection on Accounts Previously Charged Off	68,139.52
Fees Collected (When Authorized)
Other Income	8,809.47
Total Gross Income Derived From Small Loan Business	\$4,689,023.38

Expenses of Conducting Small Loan Business in Massachusetts

Advertising	\$ 285,966.49	
Auditing	18,033.61	
Bad Debts:		
(a) Charged Off	185,066.39	
(b) Addition to Reserve	328,191.54	
Depreciation of Furniture, Fixtures, Equipment and Automobiles	57,106.77	
Insurance and Fidelity Bonds	35,300.63	
Legal Fees and Disbursements	57,362.36	
License Fees	58,250.00	
Postage and Express	50,892.84	
Printing, Stationery and Supplies	58,501.64	
Recording and Acknowledging Fees	3,436.86	
Rent, Heat, Light and Janitor Service	268,216.21	
Salaries	1,591,797.70	
Taxes (Excluding Federal and State Taxes on Income):		
(a) Payroll	47,350.99	
(b) State and Local	23,294.75	
(c) Miscellaneous	651.85	
Telephone and Telegraph	164,129.94	
Travel, Automobile Expenses and Allowances	98,418.22	
Other Expenses:		
(a) Bookkeeping and Corporation Services	37,653.21	
(b) Dues and Subscriptions	42,017.47	
(c) Credit Reports	37,564.63	
(d) Pension Fund Contribution	40,243.78	
(e) Sundry	147,760.50	3,637,208.38

*Home Office Expenses
Allocated to Branches in Massachusetts*

Advertising	\$40,635.63	
Auditing	28,083.90	
Bad Debts:		
(a) Charged Off	
(b) Addition to Reserve	4,651.74	
Depreciation of Furniture, Fixtures, Equipment and Automobiles	6,536.91	
Insurance and Fidelity Bonds	6,231.07	
Legal Fees and Disbursements	37,473.83	
License Fees	571.65	
Postage and Express	6,696.91	
Printing, Stationery and Supplies	37,719.92	
Recording and Acknowledging Fees	395.11	
Rent, Heat, Light and Janitor Service	21,634.73	
Salaries	183,197.83	
Taxes (Excluding Federal and State Taxes on Income):		
(a) Payroll	5,914.66	
(b) State and Local	11,570.11	
(c) Miscellaneous	154.16	
Telephone and Telegraph	6,132.66	
Travel, Automobile Expenses and Allowances	22,298.19	
Other Expenses:		
(a) Bookkeeping and Corporation Services	20,925.31	
(b) Dues and Subscriptions	4,387.07	
(c) Credit Reports	1,605.08	
(d) Pension Fund Contribution	13,729.19	
(e) Supervision and Administration	104,879.80	565,425.46

Total Expenses Before Income Taxes and Cost of Borrowed Funds		\$4,202,633.84
Federal Taxes on Income	\$ 159,197.22	
State Taxes on Income	12,688.54	171,885.76
Total Expenses After Income Taxes, but Before Cost of Borrowed Funds		\$4,374,519.60
Net Earnings After Income Taxes, but Before Cost of Borrowed Funds		314,503.78

ANALYSIS OF LOANS BY SIZE

Exhibit C

292 Annual Reports				
Loans Made During the Year (Loans of \$300 or Less):				
	Number	%	Amount	%
(a) Loans of \$25.00 or Less	224	.12	\$ 5,180.00	.01
(b) Loans of 25.01 to \$50.00	3,925	2.17	177,614.95	.50
(c) Loans of 50.01 to 100.00	18,451	10.19	1,540,370.25	4.35
(d) Loans of 100.01 to 150.00	38,271	21.13	4,748,980.04	13.42
(e) Loans of 150.01 to 200.00	31,736	17.52	5,637,764.03	15.92
(f) Loans of 200.01 to 300.00	88,524	48.87	23,297,171.55	65.80
Total of Loans of \$300 or Less	181,131	100.00%	\$35,407,080.82	100.00%

ANALYSIS OF LOANS BY TYPES OF SECURITY

Exhibit D

292 Annual Reports				
Loans Made During the Year (Loans of \$300 or Less):				
	Number	%	Amount	%
(a) Chattel Mortgages on Household Goods	36,607	20.21	\$ 7,994,981.20	22.58
(b) Automobiles	6,147	3.40	1,251,420.19	3.53
(c) Other Chattels	909	.50	173,487.69	.50
(d) Unsecured Notes	128,499	70.94	24,220,022.40	68.40
(e) Endorsed and/or Co-Maker Notes	8,644	4.77	1,703,784.34	4.81
(f) Wage Assignments	1	289.00
(g) Other Considerations	324	.18	63,096.00	.18
Total	181,131	100.00%	\$35,407,080.82	100.0%

Exhibit E

SMALL LOANS MADE BY ALL LENDERS UNDER SUPERVISION FOR THE LAST FIVE YEARS

292 Annual Reports		1954		1955		1956		1957	
Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
220,386	\$43,689,772.35	217,756	\$41,799,884.04	203,692	\$39,578,695.07	196,827	\$38,422,569.28	181,131	\$35,407,080.82

Exhibit F

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 1957
Small Loans, Large Loans and Other Business Conducted in Massachusetts

ASSETS AND LIABILITIES	
292 Annual Reports	
<i>Assets</i>	
Cash in Office and in Banks	\$5,176,065.31
Loans Receivable	156,505,442.77
Real Estate (Less-Accumulated Depreciation-Buildings)	151,036.09
Furniture, Fixtures, Equipment and Automobiles (Less-Accumulated Depreciation)	1,417,990.65
Deferred Charges and Prepaid Expenses	636,212.46
Organization and Development Expense	460,739.95
Cost of Financing	54,331.02
Prepaid Expense on Accounts Purchased	123,230.85
Other Assets:	
(a) Miscellaneous Accounts Receivable	507,418.81
(b) Accrued Interest Receivable	66,566.23
(c) Investments	3,589,178.46
(d) Miscellaneous	1,592,935.61
Total Assets	<u>\$170,281,148.21</u>
<i>Liabilities and Capital</i>	
Accounts and Notes Payable:	
(a) Banks	\$13,160,324.88
(b) Due to Parent Company or Affiliates	46,804,765.66
(c) Other Notes and Accounts	4,770,744.52
Bonds	4,281,147.66
Treasury Certificates	1,916,560.00
Other Liabilities:	
(a) Accrued Expenses	273,846.68
(b) Unearned Charges	17,523,777.80
(c) Other	271,028.33
Valuation Reserves:	
(a) Bad Debts	3,492,014.07
(b) Purchased Accounts (Face Value Less Purchase Price)	30,690.78
(c) Other	331,433.07
Expense Reserves:	
(a) Taxes	1,035,046.48
(b) Other	205,259.26
Branch Office Capital (Home Office Control)	54,596,212.33
Net Worth (If Individual or Partnership)	181,638.18
Capital Stock (If Corporation):	
(a) Preferred	1,902,006.83
(b) Common	8,175,467.46
Appropriated Surplus or Capital Reserves	652,772.30
Additional Paid-in Capital	3,308,313.19
Retained Earnings	7,368,098.73
Total Liabilities and Capital	<u>\$170,281,148.21</u>

Exhibit G

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR

ENDED DECEMBER 31, 1957

Small Loan, Large Loan and Other Business Conducted in Massachusetts

292 Annual Reports	
Gross Income Derived from Massachusetts Operations:	
Charges on Loans	\$7,958,623.48
Collection on Accounts Previously Charged Off	140,697.03
Fees Collected (When Authorized)	92,638.35
Other Income	176,285.44
Total Gross Income	\$8,368,244.30
Expenses of Conducting Business in Massachusetts:	
Advertising	\$409,475.99
Auditing	104,201.55
Bad Debts:	
(a) Charged Off	226,929.06
(b) Addition to Reserve	623,260.41
Depreciation of Furniture, Fixtures, Equipment and Automobiles	115,659.96
Insurance and Fidelity Bonds	70,967.24
Legal Fees and Disbursements	182,312.86
License Fees	58,471.34
Postage and Express	101,365.11
Printing, Stationery and Supplies	198,581.07
Recording and Acknowledging Fees	8,196.04
Rent, Heat, Light and Janitor Service	448,244.78
Salaries	3,049,148.58
Taxes (Excluding Federal and State Taxes on Income):	
(a) Payroll	95,419.80
(b) State and Local	68,487.60
(c) Miscellaneous	1,040.01
Telephone and Telegraph	287,236.00
Travel, Automobile Expenses and Allowances	233,324.78
Other Expenses:	
(a) Bookkeeping and Corporation Services	79,990.29
(b) Dues and Subscriptions	54,169.69
(c) Credit Reports	72,378.76
(d) Pension Fund Contribution	110,428.61
(e) Sundry	532,499.21
Home Office Expenses Allocated to Branches in Massachusetts:	
Advertising	\$135,326.57
Auditing	101,130.27
Bad Debts:	
(a) Charged Off
(b) Addition to Reserve	13,730.33
Depreciation of Furniture, Fixtures, Equipment and Automobiles	24,204.78
Insurance and Fidelity Bonds	6,376.36
Legal Fees and Disbursements	125,503.17
License Fees	571.65
Postage and Express	31,609.74
Printing, Stationery and Supplies	139,120.47
Recording and Acknowledging Fees	1,886.44
Rent, Heat, Light and Janitor Service	84,966.95
Salaries	739,998.08
Taxes (Excluding Federal and State Taxes on Income):	
(a) Payroll	24,555.40
(b) State and Local	61,284.95
(c) Miscellaneous	197.99
Telephone and Telegraph	22,265.63
Travel, Automobile Expenses and Allowances	79,988.99
Other Expenses:	
(a) Bookkeeping and Corporation Services	75,396.37
(b) Dues and Subscriptions	6,978.66
(c) Credit Reports	7,622.69
(d) Pension Fund Contribution	43,159.17
(e) Supervision and Administration	385,491.26
Total Expenses Before Income Taxes and Cost of Borrowed Funds	\$16,933,389.60
Federal Taxes on Income	\$3,196,242.21
States Taxes on Income	269,310.26
Total Expenses After Income Taxes, but Before Cost of Borrowed Funds	\$20,398,942.07
Net Earnings After Income Taxes, but Before Cost of Borrowed Funds	8,968,357.72
Cost of Borrowed Funds	\$5,280,220.43
Net Earnings After Income Taxes and Cost of Borrowed Funds	\$3,688,137.29